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Hearing:

September 26, 2000

Paper No. 50

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**UNITED STATES PATENT AND TRADEMARK OFFICE**

**Trademark Trial and Appeal Board**

Aris A. Zissis dba Importer Wines and Spirits

v.

Karolos Fix, Brewing-Malting-Ice Making Company and D. Kourtakis,  
S.A.

Cancellation No. 23,470

Frank P. Presta of Nixon & Vanderhye P.C. for Aris A. Zissis dba  
Importer Wines and Spirits.

Neil A. Burstein of Law Offices of Neil A. Burstein for Karolos  
Fix, Brewing-Malting-Ice Making Company and D. Kourtakis, S.A.

Before Quinn, Bucher and Holtzman, Administrative Trademark  
Judges.

Opinion by Holtzman, Administrative Trademark Judge:

On November 16, 1994, Aris A. Zissis dba Importer Wines and  
Spirits (Zissis) filed a petition to cancel a registration  
assigned to D. Kourtakis, S.A. (Kourtakis) for the mark FIX for  
"beer."<sup>1</sup> As the ground for cancellation, petitioner alleges that

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<sup>1</sup> Registration No. 655,924; issued December 17, 1957 based on ownership  
of a Greek registration; renewed. The registration originally issued  
in the name of Karolos Fix, Brewing-Malting-Ice Making Company (Karolos  
Fix) and was subsequently assigned, according to Office records, to D.  
Kourtakis S.A. from the National Bank of Greece S.A. on August 2, 1995.  
The Board on January 30, 1996 issued an order granting respondent's  
motion to join Kourtakis as a defendant in this proceeding.

the mark FIX "has not been in use in the United States or in commerce with the United States by Registrant or any successor in interest on or in connection with beer or any related products for more than six (6) years."<sup>2</sup>

Respondent denied the salient allegations of the petition to cancel.

The record consists of the file of the involved registration; petitioner's notice of reliance on certain of respondent's discovery responses; the testimony (with exhibits) of petitioner, Aris A. Zissis; respondent's notice of reliance on its own responses to certain interrogatories under Trademark Rule 2.120(j)(5); and the testimony of Vassilis Kourtakis, Chief Executive Officer of D. Kourtakis S.A. based on a deposition upon written questions.

Both parties filed trial briefs<sup>3</sup> and an oral hearing was held.

Mr. Zissis, who came to the United States from Greece in 1955, testified that he had first heard of FIX beer as a child in Greece in the early 1950's. It appears that FIX beer was first

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<sup>2</sup> Petitioner alleges that on June 7, 1994, petitioner filed an application to register the mark FIX for beer based on an allegation of a bona fide intention to use the mark in commerce and that registration was refused on the basis of the subject registration.

<sup>3</sup> In view of the circumstances set forth in petitioner's contested motion to accept its late-filed reply brief, and since the Board desires to have the benefit of petitioner's brief, the motion is granted. In any event, there is no prejudice to respondent by allowing the brief since a denial of this motion would not have affected the outcome of this case.

produced and sold in Greece by the Karolos Fix brewery in 1864. Zissis became an importer of wines and spirits in 1969 and began importing FIX beer into the United States in 1983. Between March 1983 and August 1983, Zissis sold a total of 3,000 cases of beer.

No further shipments of FIX beer were made after the August 1983 shipment to Zissis. Later that month, the Greek government shut down the Karolis Fix brewery by a process referred to as "socialization." (Zissis test. pp.41-43). The government reviewed the records of "problematic industries" (Zissis test. p.41), which apparently were large companies with substantial debt. According to Zissis, creditors were looking for recovery of their interests in such companies. The National Bank of Greece was the main creditor of the Karolis Fix brewery, one of the "problematic" companies. The Bank responded to an "international tender" by the Greek government (Kourtakis test. p.9) for the sale of the assets of the brewery and, sometime in 1984, acquired ownership and control of the assets and the mark for two billion drachmas (approximately \$2.7 million in today's dollars).

In October of that year, Zissis began his efforts to revive production and exportation of FIX beer into the United States. Because the Karolos Fix brewery was involved in litigation, Zissis proposed a merger of the FIX label and the formula for the beer to be manufactured at Carlsberg Breweries, another abandoned brewery in Greece. Zissis eventually met with representatives of

the Greek government, the Karolis Fix company, and the National Bank of Greece, and by August 1985 had obtained approval from the "Greek authorities" to manufacture FIX beer at the Carlsberg Brewery for export to the United States. (Zissis test. p.62). After some initial quality control problems which were rectified by the Bank, Zissis ordered between 2,000 and 3,000 cases of beer which were subsequently distributed in the United States in early 1986. After attempting another purchase order for FIX beer in 1986, Zissis was informed, and he later confirmed, that the Carlsberg Brewery had been shut down. The cause of the shutdown is not explained.

Subsequent to the 1986 shipment of FIX beer to Zissis, no further sales of FIX beer were made in the United States and there is no evidence of any further activity with respect to the FIX mark until 1993. In that year, Zissis again attempted to manufacture FIX beer for sale in the United States, this time with beer that would be supplied by Holsten Brewery in Germany. Then on June 7, 1994, Zissis filed an application with the Office to register the FIX mark for beer. Zissis states that he did not go forward with production of the beer because he subsequently received a cease and desist letter from respondent's counsel in August 1995.

In the meantime, in the beginning of 1995, the National Bank of Greece (by an "invitation to tender") began seeking offers to purchase the assets of the Karolis Fix brewery. On August 2,

1995, the Bank sold its rights to the FIX trademarks and the associated good will to Kourtakis for a down payment of 50 million drachmas (approximately \$138,000 in today's market), 22 million drachmas to be paid several months later followed by a further payment of 18 million drachmas, and four years of royalty payments to the Bank based upon a percentage of sales.

Under Section 45(a) of the Trademark Act, a mark is deemed to be abandoned when its use has been discontinued with intent not to resume. A prima facie case of abandonment may be established by petitioner with proof of nonuse in the United States for two years.<sup>4</sup> See Section 45 of the Act and *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990).

The prima facie case "eliminates the challenger's burden to establish the intent element of abandonment as an initial part of [his] case" and creates a rebuttable presumption that the registrant abandoned the mark without an intent to resume use. See *Imperial Tobacco Ltd.*, supra at 1393. This presumption shifts the burden to the registrant to (1) prove that he used the mark during the statutory period or intended to resume use of the mark; or (2) prove excusable nonuse that would negate the

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<sup>4</sup> Effective January 1, 1996, Section 45 was amended to provide that three years nonuse constitutes prima facie evidence of abandonment. However, because this proceeding was filed prior to that date and is based on facts which existed prior to that date, we have decided the issue of abandonment based on the pre-1996 statutory provision. *Stromgren Supports Inc. v. Bike Athletic Co.*, 43 USPQ2d 1100 (TTAB 1997).

presumptive intent to abandon or not to resume use of the mark. See *Rivard v. Linville*, 133 F.3d 1446, 45 USPQ2d 1374 (Fed. Cir. 1998), *aff'g*, 41 USPQ2d 1731, 1376 (TTAB 1996) and *Imperial Tobacco Ltd.*, *supra* at 1395. An "intent to resume use" means an intent to resume use in the United States. See *Imperial Tobacco Ltd.*, *supra* at 1393 ("[t]he terms 'use' and 'nonuse' mean use and nonuse in the United States").

Respondent admits that there have been no sales under the FIX mark for a period sufficient to establish a *prima facie* case of abandonment. (Respondent's brief p.5). In fact, it is undisputed that there have been no sales of FIX beer in the United States since the date of the last shipment of beer to Zissis in 1986. Therefore, the question in this case is whether respondent has established either an intent to resume use of the mark or excusable nonuse of the mark.

Respondent maintains that nonuse of the mark was caused by outside forces, that is, the involuntary shutdown of the Karolos Fix brewery by the Greek government in 1983, which, according to respondent, rebuts the inference of abandonment and demonstrates that "there was never any intention to abandon the FIX mark." (Respondent's brief p.5). Respondent relies on a number of cases [including *Sterling Brewers, Inc. v. Schenley Industries, Inc.*, 441 F.2d 675, 169 USPQ 590 (CCPA 1971), *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 208 USPQ 175 (2d Cir. 1980), and *Miller Brewing Co. v. Oland's Breweries*, 548 F.2d 349, 192 USPQ 266

(CCPA 1976)] in arguing that abandonment does not result from withdrawal from the market caused by outside forces or by valid business reasons, and if outside factors prevent use of the mark.

There is no question that the initial nonuse by the Karolis Fix brewery is excusable and does not demonstrate either an intent to abandon the mark or an intent not to resume use of the mark. However, once the Bank acquired ownership and control of the brewery's assets in 1984, the "outside cause" for nonuse no longer existed. There is no indication that conditions unfavorable to the operation of the brewery or other economic conditions persisted or were such that they prevented the Bank from taking any action with respect to the business or the mark. Indeed, not long after the Bank acquired the business in 1986, Zissis negotiated with the Bank for a license to resume the production of FIX beer for sale in the United States. Thus, respondent has not shown that the nonuse of the FIX mark by the Bank was excusable.

Once the reason for the nonuse passes, use of the mark or activities showing an intent to use the mark must occur within a reasonable time. See J. Thomas McCarthy, *Trademarks and Unfair Competition*, §17:16 (4th ed. 2000) and *Imperial Tobacco Ltd.*, *supra* at 1395 [requiring evidence "with respect to what activities it engaged in during the nonuse period or what outside events occurred from which an intent to resume use during the

nonuse period may reasonably be inferred"]. The nine-year period of nonuse in this case is hardly reasonable.

Moreover, between the last shipment of FIX beer to the United States in 1986, and the "invitation to tender" by the Bank in 1995, there is no evidence that any activity whatsoever took place with respect to the business or the mark anywhere in the world, let alone in the United States. The facts in this case stand in sharp contrast to those presented in the very cases relied on by respondent. For example, in *Sterling Brewers*, although the brewery which produced beer under the mark GOLDBLUME BEER was shut down because of a labor strike, the Court found that the "continuous activity" directed to maintenance of the brewery during the nine-year period of nonuse "coupled with" the efforts made to sell the brewery demonstrated "an intent to maintain conditions conducive to resumption of production under the mark" and established that "[t]here obviously was continuing specific intent to preserve the capacity to transfer the right and ability to resume production of [the beer] to a purchaser of the brewery assets." (Supra at 594). Similarly, in *Saratoga Vichy Spring Co.*, where the State of New York closed its mineral water bottling facility (due to the legislature's decision that the State withdraw from the mineral water business), the Court found no abandonment during a seven-year hiatus inasmuch as the State "sought continuously to sell the business" with the trademark during that time. In *Miller Brewing Co.*, the evidence



showed that, even though shipments of SCHOONER beer to the United States had been discontinued "for several business and economic reasons," there was active promotion of the mark in the United States, evidence of offers to sell the product, and a renewed license to sell the product in one state during the five-year period of nonuse.

In this case, there is no evidence that for this nine-year period, the Bank made any attempt, or even had any plans, to either itself resume the business in the United States, to sell or license the business to others, or to take any steps to keep the FIX name before the public.<sup>5</sup> In short, there is no evidence to overcome the presumption that the mark had been abandoned during that time. Thus, contrary to respondent's claim, the Bank's actions in seeking purchasers for the assets of the brewery in 1995 followed by the Bank's subsequent sale of the assets to Kourtakis later that year do not demonstrate an intent by either respondent or its predecessor to resume use of the mark. Such activities occurred after the mark had been abandoned and cannot serve to cure the abandonment. See Auburn Farms Inc.

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<sup>5</sup> Respondent claims that prior to the purchase by Kourtakis, the Bank itself attempted to resume operations and had signed an agreement with the Hellenic Brewing and Vinefecation Company for the production of beer under the FIX mark. However, the testimony on this matter is vague and to the extent that any such efforts were made, they were admittedly unsuccessful and appear to have occurred prior to the 1986 shutdown of the Carlsberg Brewery and the final shipment of beer to Zissis in 1986. If anything, this asserted activity is simply further evidence that the Bank was not prevented from carrying on business or taking action with respect to the FIX mark.

v. McKee Foods Corp., 51 USPQ2d 1439 (TTAB 1999) and Money Store v. Harriscorp Finance, Inc., 689 F.2d 666, 216 USPQ 11 (7<sup>th</sup> Cir. 1989).

We note the claim by Mr. Kourtakis that he was willing to pay a "high price" for rights to the FIX mark "because of the fame of the trademark and the existing know-how in the production of beer" and because "FIX beer is considered as one of the five famous trademarks in Greece." (Kourtakis test. p. 14). Respondent is required to show an intent to resume use of the mark in the United States, and the question of whether the FIX trademark still is or ever was "famous" in Greece, is simply not relevant to that showing. The "high price" Kourtakis was willing to pay in Greece for the rights to the mark and the associated good will is not evidence of fame or of the existence of any good will in the mark in the United States.<sup>6</sup>

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<sup>6</sup> Thus, respondent's reliance on *Sterling Brewers, Inc.*, supra is misplaced. The Court found in that case that the buyer's willingness to pay a considerable sum for the rights to the mark and the associated good will was evidence that the mark still had significance as an indication of origin and a symbol of good will. Unlike *Sterling*, we have no evidence of good will residing in the FIX mark. In any event, the Court did not find that the purchase price was sufficient in itself to overcome the presumption of abandonment. As we pointed out earlier, the Court's finding of an intent to resume use in *Sterling* was based on the "continuous activity" directed to maintenance of the brewery during the nine-year period of nonuse "coupled with" the efforts made to sell the brewery which demonstrated "an intent to maintain conditions conducive to resumption of production under the mark" and established that "[t]here obviously was continuing specific intent to preserve the capacity to transfer the right and ability to resume production of [the beer] to a purchaser of the brewery assets." (Supra at 594). Those circumstances do not exist in this case.

**Cancellation No. 23,470**

Accordingly, we find that respondent's predecessor abandoned the FIX mark and that use of the mark was discontinued with intent not to resume use.

**Decision:** The petition to cancel is granted, and Registration No. 655,924 will be cancelled in due course.